

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 2035 – HB 2295**

March 9, 2018

**SUMMARY OF BILL:** Creates a new collegiate license plate for Cumberland University.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue –**

**\$2,500/Tennessee Arts Commission/FY18-19**

**\$600/Highway Fund/FY18-19**

**\$2,800/Tennessee Arts Commission/FY19-20 and Subsequent Years**

**\$700/Highway Fund/FY19-20 and Subsequent Years**

**Other Fiscal Impact – The Department of Revenue will retain approximately \$400 from the sale of license plates in FY18-19 to compensate TRICOR for production, warehousing, and distribution costs incurred by TRICOR. TRICOR will receive \$200 in net revenue for every 100 license plates produced.**

**Assumptions:**

- Pursuant to Tenn. Code Ann. § 55-4-201(b)(3), collegiate license plates issued and renewed will be subject to a minimum order of 100 plates for collegiate plates as defined by Tenn. Code Ann. § 55-4-209. Any plate that does not meet the minimum order requirement will become invalid.
- The unit cost per new license plate is estimated to be \$3.80.
- The Tennessee Rehabilitative Initiative in Correction (TRICOR) produces license plates pursuant to its agreement with the Department of Revenue (DOR).
- TRICOR incurs one-time production costs of \$3.30 per license plate, and is compensated \$3.80 per license plate by the DOR.
- One hundred new plates will be purchased at \$35 each by individuals that currently do not have a specialty plate resulting in revenue of \$3,500 (100 plates at \$35 each).
- Pursuant to Tenn. Code Ann. 55-4-216(a), the DOR will deduct the one-time expense it incurred in the production of these license plates (\$380) from the revenue produced from the sale of the plates (\$3,500). Net proceeds from the sale of these plates will be

allocated as follows: 80 percent to the Tennessee Arts Commission; and 20 percent to the state Highway Fund.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/tdb